

---

*Request-for-Proposals (RFP)*

**Market Validation and Financial Feasibility Study:  
Multi-Purpose Arena and Convention Center  
Lincoln, Nebraska**

---

The City of Lincoln, Nebraska – in cooperation with a local community organization known as “2015 Vision” – is seeking the services of a qualified consulting firm (or team of firms) to prepare a “Market Validation and Financial Feasibility Study” for a multi-purpose arena and convention center. The arena and convention center are proposed to be located in the “West Haymarket” district in Downtown Lincoln. This Request-for-Proposals (RFP) describes the study background, proposed scope of services, schedule, and submission requirements.

**As detailed later in this RFP, all proposals must be submitted to the City of Lincoln’s Urban Development Department no later than 3:00 p.m., Tuesday, June 19, 2007.**

## **1. Introduction and Study Background**

### **■ Study Location**

The City of Lincoln is located in the center of Lancaster County in the southeastern region of the State of Nebraska. The City encompasses about 88 square miles of the County’s approximately 840 square miles. Lincoln is home to an estimated 240,000 residents, or about ninety percent of Lancaster County’s total population of nearly 270,000 residents. The City and environs is the second largest metropolitan area in the State of Nebraska. The U.S. Census figures showed a county-wide population growth rate during the 1990's of around 1.6 percent per year.

The City of Lincoln is the Capital City for the State of Nebraska and is home to the University of Nebraska’s (UNL) flagship campus of about 23,000 students. The area’s economic base embraces a diverse range of public and private sector entities including finance, insurance, publishing, manufacturing (including pharmaceutical, tires, and recreational equipment), telecommunication, railroads, and State and local government. The area’s labor force is nearing 170,000 workers with unemployment typically hovering around 2.7 percent.

### **■ Arena and Convention Center Overview**

The Lincoln community’s arena and convention facilities needs are currently served by a number of venues.

The City of Lincoln's primary arena facility is Pershing Center. Located on Centennial Mall in Downtown Lincoln, Pershing Center was constructed in 1956. Seating capacity for sporting events ranges from 4,500 to 6,000, and can accommodate up to 7,500 event attendees when the main areas floor is utilized. There is 28,000 square feet of exhibit hall space as well, however, the ceiling height and numerous columns are limiting factors in the use of this space.

The University of Nebraska-Lincoln's main in-door sports facility is the 13,500 seat Bob Devaney Sport Center opened in 1976. It is located at the extreme north end of the main UNL on the grounds of the Nebraska State Fair. The facility is home to Husker basketball, track, swimming, wrestling, and gymnastics teams. The Devaney Sports Center routinely hosts various State sporting events as well as other amateur and NCAA events. The Center also is used for various trade shows and vendor exhibits.

Conference facility needs are accommodate in a variety of settings located across the community. The major three convention facilities are situated in Downtown Lincoln and are each affiliated with a hotel. The Burnham Yates Conference Center is the largest venue with three event levels covering nearly 28,000 square feet. The Center is part of the 290 room Cornhusker Hotel by Marriott complex. The Embassy Suites – with 252 rooms – is home to the 11,900 square foot Regents Ballroom, and provides 14 division meeting rooms totally 14,600 square feet. Lincoln's third primary Downtown convention venue is the 233 room Holiday Inn Lincoln. It has nearly 12,000 square feet of meeting and banquet space.

### **■ Recent Arena and Convention Center Studies**

Over the past several years, a number of studies have looked at the need for the Lincoln community to modernize and expand upgrade its arena and convention facilities. These studies are summarized below.

#### ***Convention, Sports & Leisure International (CSL)***

The "CSL Study" was commissioned by the Lincoln Chamber of Commerce and Downtown Lincoln Association (DLA) in 2003-04 to examine the feasibility of a new arena and convention center for Lincoln. The study considered existing Lincoln area event facilities, the demographics of the Lincoln market, an analysis of competitive facilities, a facilities program analysis, the economic impact of new facilities, site opportunities, and funding alternatives.

The Study concluded the condition of Pershing Auditorium "is well below industry standards in terms of functionality, convenience, aesthetics, and other features and amenities." In turn, the University of Nebraska's use of the Bob Devaney Center largely for athletic events "precludes booking many concert and entertainment events that can benefit the community." The Study goes on to note that the area's population of generally younger and relatively higher incomes "provides the promoter with a desirable environment in which to market an event." Overall the

Study concluded that “additional arena inventory” could “prevent significant loss of concert and entertainment events and to enhance the ability of the market to compete for added events.”

Lincoln is an attractive setting for a wide variety of conventions and trade shows. The CSL analysis suggested Lincoln’s convention facilities are generally adequate in the near term to meet the requirements of State and regional events. While national events represent a potential market for Lincoln, CSL noted that “larger events will likely consider Omaha as a first choice.” Given the circumstances, CSL felt that there was not “sufficient demand” for a “new stand-alone convention center in the downtown Lincoln area.” Rather they recommended partnering with a private hotel to develop a block of multi-use space adjacent to the hotel complex. This sort of arrangement would allow for a cost effective way to expand desirable event facility space for the entire community while supporting Lincoln’s hotel and tourism industries.

Among many other facets of CSL’s work was an analysis of alternative sites for a new Downtown arena. Their analysis looked at five separate sites with a developable footprint of approximately 8.2 acres, or about four city blocks. Some of the selection criteria employed by CSL included access to transportation corridors, proximity to restaurants and lodging facilities, distance to the UNL campus, and ease of relocating businesses and acquiring land. The CSL Study did not recommend a specific location among those evaluated; however, the sentiment of the community seemed to be toward a site in the West Haymarket area of Downtown.

### ***Lincoln Downtown Master Plan***

As the “CSL Study” was winding down, the City of Lincoln and Downtown Lincoln Association were embarking on the formulation of a new Master Plan for the Downtown. Having been 30 years since the completion of the last Lincoln Downtown Master Plan, this effort was challenged with how to preserve the existing fabric of the community’s largest commercial district – as well as home to the Nebraska State Capitol and University of Nebraska’s main campus – while painting a credible picture for a 21<sup>st</sup> century downtown. The Downtown master planning process encompasses a wide range of topics including transportation, community facilities, retail, housing, as well as the matter of a new arena, convention center, and hotel complex.

At the study’s conclusion it was felt that the West Haymarket site offered the greatest opportunity to realize the numerous goals of the Plan and of Downtown Lincoln. This site provided a sizeable footprint for development as well as engendering numerous benefits for the Haymarket District, the University of Nebraska, projected retailing possibilities, and the community as a whole. The proposed arena, hotel, and convention center development was identified in the final Downtown Master Plan as one of several “Priority Catalyst Projects,” meaning that it should be given the highest possible priority because it has the potential to revitalize the downtown investment environment.

### ***Mayor's Events Facility Task Force***

Coming on the heels of the CSL Study and Downtown Master Plan efforts, Lincoln Mayor Coleen Seng appointed a group of local residents to further examine the state of event facilities in Lincoln and to recommend a course of action. This group's charge was not only to consider the potential for a new arena but also to look at the Nebraska State Fair and the Lancaster County Event Center sites.

The arena component of this endeavor assessed a variety of issues concerning potential locations, project viability, and practicality of the West Haymarket site. At the end of their work in October, 2006, the Task Force generally concluded the following:

- ◆ West Haymarket is the "right choice" for the development of a new arena
- ◆ A new arena should have at least 15,000 seats with suites and club seating
- ◆ A cooperative agreement to host the University of Nebraska-Lincoln in the new arena should be explored
- ◆ A new arena should be financed through a partnership employing a multiple funding strategy
- ◆ Lincoln should seek a private developer to build a hotel and convention center
- ◆ A convention center should offer 35,000 to 50,000 square feet of exhibit space and at least 20,000 square feet of banquet space

In addition, the Task Force drew two "conclusions" which form part of the group's overall package of recommendations:

"The Mayor should carry the West Haymarket project forward and appoint a new citizen group to build on the Task Force's work, educating the community about the vision that has been developed."

"The community should retain an independent professional consulting firm to review and validate the financial information gathered by the Task Force."

These two conclusions resulted in the creation of the West Haymarket Action Team (see below) and is part of the reason for the Request-for-Proposals.

### ***West Haymarket Action Team (WHAT)***

Following the conclusion of work by the Mayor's Events Facilities Task Force, a local community organization was formed by members of Lincoln's private sector. This group – known as *2015 Vision* – was created for the expressed purpose of advancing several proposed projects coming out of the planning efforts outlined above. One of the focus areas – or "pillars" – for 2015 Vision is the redevelopment of the West Haymarket, and in particular the realization of the arena, hotel, and convention center concept.

In concert with Lincoln Mayor Seng, a seventeen member citizen committee has recently been appointed. Named the “2015 Vision West Haymarket Action Team” (WHAT), this group has initiated their work on the project with the follow mission statement:

*The primary mission of the 2015 Vision West Haymarket Action Team is to further the quality development, vitality, and long term viability of West Haymarket and environs. This is to be accomplished in part by cultivating, promoting, and putting in place sustainable private-public partnerships.*

WHAT’s charge explicitly includes the construction of an arena, hotel, and convention center in the West Haymarket, along with other compatible uses such a residential units, retailing, and office space.

After several background briefings from staff, the Action Team has established a number of subcommittees to work on specific tasks. One of these subcommittees is tasked with validating the market for the arena and convention center, and to fulfill the directive of the Mayor’s Event Facility Task Force by vetting the financial information developed to-date.

## **2. Scope of Work**

### **■ Study Goals**

- Validate the market viability of a new arena and convention center in West Haymarket to serve the greater Lincoln area.
- Determine the appropriate size (i.e., seating and suites configuration) and facility components for a new arena and convention center.
- Validate the operating expenditures, on-going and one-time revenues, capital/development costs, and net expenses for a new arena and convention center in the West Haymarket area.

### **■ Work Elements**

#### **A. Arena and Convention Center Market Validation**

- Estimate the approximate **number of events** per year for both the arena and convention center by event type (e.g., UNL Men’s and Women’s basketball games, other UNL athletic events, all other sporting events, concerts, circus, ice shows, trade shows, conventions.)

- ☐ Project the probable annual **attendance figures** for both the arena and convention center by event type, and indicate marketing and operational approaches for maximizing attendance and facility usage.
- ☐ Based upon the arena market validation analysis, recommend **optimal event footprints** (i.e., sq. ft. needed to support a particular event) interior to the arena, including but not limited to such events as basketball, volleyball, wrestling, arena football, concerts, ice shows, ice hockey, rodeos, family stage shows, trade shows, conventions, sport practice facilities, etc.
- ☐ Based upon the arena market validation analysis, recommend the **optimal number and size of pertinent facility components** needed within the arena. [Please note the City expects to retain the services of an architectural firm to assist in this task. The architectural firm will be hired independently from the Market Validation and Financial Feasibility Study described in this RFP; however, the firm selected to undertake this study will be expected to work closely with the architectural firm in the completion of this task.]
- ☐ Based upon the arena market validation analysis, recommend the **optimal event seating capacity, pricing and leasing strategy** for a new arena to maximize its use and financial feasibility. These estimates should include but not be limited to figures for premium seating, luxury suites, terrace suites, club seats, mezzanine seats, and other seating as applicable.
- ☐ The arena market validation analysis should address the event and sport facility requirements of the **National Collegiate Athletic Association** and how the Devaney Center at UNL and a new Lincoln facility would compare to existing and planned event venues in the **Big IXX Conference**.
- ☐ The arena market validation analysis should consider the future operational relationship between a **new downtown arena** and UNL's existing **Devaney Center**.
- ☐ Based upon the convention center market validation analysis, recommend the **square footage capacity, pricing, and operational strategy** for a new convention center to maximize its use and financial feasibility.

## B. Financial Feasibility Analysis

### *Capital Construction Analysis*

- ☐ Based upon the market validation analysis, separately project annual (each year over 20 years) revenue sources that may be available for **bonding** to pay for the initial capital cost of the arena and convention center.
- ☐ Based upon the market validation analysis, separately project **initial, one time revenue sources** that may be available for the initial capital cost of the arena and a new convention center.
- ☐ Based upon the market validation analysis, separately project **capital construction, site related property acquisition, and land preparation costs** for a new arena and a new convention center.
- ☐ Prepare a **sources and uses statement** that incorporates the revenue and bond proceeds and a detailed uses of funds.

### *Operating Analysis*

- ☐ Based upon the market validation analysis, separately project annual (each year over 20 years) facility-related **operating revenues** for a new arena and a new convention center.
- ☐ Based upon the market validation analysis, separately project annual (each year over 20 years) and **on-going operating expenditures** for a new arena and a new convention center.
- ☐ Prepare a net operating income statement (by year over 20 years) that incorporate the operating revenues and expenditures to arrive at a projected surplus or loss that will require a city subsidy.

## 3. Study Schedule

Initiation of the study is anticipated to occur by approximately mid-July 2007. Preliminary findings should be submitted to the City by mid-September 2007. A final study product is to be provided to the City by no later than October 31, 2007.

#### **4. Consultant Selection Criteria**

Consultant proposals will be evaluated using the following criteria as a measure of the respondents' ability to successfully complete the project scope of work. Cost will not be the sole basis for selection, since it is in the City's best interest to retain a firm/team that has significant professional credentials.

**The City reserves the right to accept, reject, or negotiate any or all proposals, including the right to award the contract in whole or in part if it is deemed in the City's best interest.**

The merit of each submittal will be assessed using the following evaluation criteria:

1. Experience and Qualifications as evidenced by:
  - Company background and history
  - Relevant experience with other projects
  - Client references
  - Project samples
- B. Strength of the proposed Project Team as evidenced by:
  - Appropriateness of management personnel and technical staff proposed.
  - Organizational approach to project management including work flow, reporting and quality assurance procedures
  - Relevant experience with other projects
- C. Quality of the proposed approach to the scope of work as evidenced by:
  - Understanding and discussion of technical issues
  - Methodology and technical plan of operations
  - Project management plan and quality assurance procedures
  - Innovation and thoughtfulness in work approach
- D. Ability to successfully complete the project as evidenced by:
  - Understanding of task sequencing and major milestone events
  - Adequacy of resources
  - Ability to complete work on a timely basis and meet deadlines
  - Efficiency in use of available study resources
- E. Response Characteristics
  - Adherence to the required format
  - Completeness of submittal
- F. Proposal cost
  - Overall Budget
  - Budget Breakdown by Phase



## **5. Submittal Procedures**

### **● Budget and Cost Submittals**

**Proposed fees** for services outlined on the RFP must be submitted in a **separate sealed envelope** within the submittal package. The envelope must be clearly marked with the firm's name and project title. The proposals will be initially reviewed without consideration to the fee.

### **● Submittal Date and Time**

Each submittal must include ten (10) copies of your proposal and must be received in the offices of the City's Urban Development Department **no later than 3:00 p.m. CDT on Tuesday, June 19, 2007:**

David Landis, Director  
City of Lincoln Urban Development Department  
808 P Street, Suite 400  
Lincoln, NE 68508

Mark the outside of the submittals with the titles, "West Haymarket Arena & Convention Center Study Scope of Work Proposal" and "West Haymarket Arena & Convention Center Study Fee Proposal."

### **● Proposal Content**

All proposals at a minimum must provide the following:

1. Firm(s) name, address(s) and telephone number(s)
2. Type of services firm(s) particularly qualified to perform
3. Names of key personnel, experience of each, and length of service with the firm(s).
4. List of completed or in-progress projects of similar nature for which the firm(s) was/were the principal professional or served as a subcontract
5. Willingness and capability to meet the time requirements
6. List of similar projects or experience
7. Proposed Scope of Work
8. Statement of Understanding of the Study's Intent and Related Issues
9. Total proposed consultant budget (i.e., fee) by major task and firm with costs broken down by staff, materials, and others study expenses.

### **● Contact**

Questions or other inquiries regarding this Request-for-Proposals (RFP) should be directed to the Project Manager:

Kent Morgan, Assistant Director  
Lincoln/ Lancaster County Planning Department  
555 South 10<sup>th</sup> Street  
Lincoln, NE 68508  
Voice: 402.441.7491  
FAX: 402.441.6377  
Email: kmorgan@ci.lincoln.ne.us

Additional information on the City of Lincoln and Lancaster County may be found on the City's website <http://lincoln.ne.gov/>. Information about the West Haymarket Action Team may be found by keying in the keyword <WHAT> on the City's home page and clicking on "Search."

## **6. Insurance Requirements**

Consultant shall indemnify and save harmless the City of Lincoln, Nebraska, or its representatives from all claims, demands, suits, actions, payments, liability, and judgements, arising from the activities of the Consultant or of Consultant's agents, contractors or employees. In this connection, Consultant shall carry insurance in the following kinds and minimum limits as indicated:

1. Worker's Compensation Insurance and Employer's liability Insurance  
The Consultant shall take out and maintain during the life of this contract the applicable statutory Worker's Compensation Insurance with an insurance company authorized to write such insurance in this State covering all his employees, and in the case of any work sublet, the Consultant shall require the Subconsultant similarly to provide statutory Worker's Compensation Insurance for the latter's employees. The Consultant shall take out and maintain during the life of this contract, Employer's Liability Insurance with a limit of \$100,000 in an insurance company authorized to write such insurance in all states where the Consultant will have employees located in the performance of this contract, and the Consultant shall require each of his Subconsultants similarly to maintain common law liability insurance on his employees.
- ☐ General Liability Insurance
  - a. The Consultant shall maintain during the life of this contract, General Liability Insurance, naming and protecting them and the Lancaster County against claims for damages resulting from (1) bodily injury, including wrongful death, (2) personal injury; liability, and (3) property damage which may arise from operations under this contract whether such operations be by himself or by any Subconsultant or anyone directly or indirectly employed by either of them. the minimum acceptable limits of liability to be provided by such insurance shall be as follows:

(1) Bodily Injury	\$500,000 Each Occurrence
	\$500,000 Aggregate
(2) Personal Injury Limits	\$500,000 Per Person Aggregate
	\$500,000 General Aggregate
(3) Property Damage Limits	\$300,000 Each Occurrence
	\$300,000 Aggregate

b. The General Liability Insurance required by the preceding paragraph shall include the following extensions of coverage:

- (1) The coverage shall be provided under a Comprehensive General Liability form of policy or similar thereto.
- (2) The property damage coverage shall include a Broad Form Property Damage Endorsement.
- (3) Contractual Liability coverage shall in included.
- (4) Products Liability and/or Completed Operations coverage shall be included.

☐ Automobile Liability Insurance

The Consultant shall take out and maintain during the life of this contract such Automobile Liability Insurance as shall protect them against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damage which may arise from the operations of any owned, hired, or non-owned automobiles used by or for him in any capacity in connection with the carrying out of this contract. The minimum acceptable limits of liability to be provided by such Automobile Liability Insurance shall be as follows:

- |    |                       |                             |
|----|-----------------------|-----------------------------|
| a. | Bodily Injury Limits  | \$ 500,000 Each Person      |
|    |                       | \$1,000,000 Each Occurrence |
| b. | Property Damage Limit | \$ 250,000 Each Occurrence  |
| c. | Combined Single Limit | \$1,000,000 Each Occurrence |

☐ Professional Liability Insurance

The Consultant shall maintain during the life of this contract, Professional Liability Insurance, naming and protecting Consultant against claims for damages resulting from the Consultant's errors, omissions, or negligent acts. Such policy shall contain a limit of liability not less than one million dollars.

☐ Certificate of Insurance

The insurance specified above shall be written by a company duly authorized and licensed to do business in the State of Nebraska and shall be maintained until Consultant's work has been completed and accepted by the County. A certificate of insurance evidencing policies required shall be furnished the Lancaster County, such certificate shall specifically indicate that insurance policies shall give the County at least thirty (30) days written notice in the event of cancellation of or material change in any of the policies.